



San Bernardino Associated Governments

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- San Bernardino County Transportation Commission •San Bernardino County Transportation Authority
 - San Bernardino County Congestion Management Agency •Service Authority for Freeway Emergencies
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AGENDA

Major Projects Committee

Special Meeting Time and Location

May 19, 2004, 12:00 p.m.

Location

472 N. Arrowhead Avenue, San Bernardino, CA 92401-1421

Major Projects Committee Membership

Chair

Kelly Chastain, Council
City of Colton

Gwenn Norton-Perry, Council
City of Chino Hills

Bill Alexander, Mayor
City of Rancho Cucamonga

Vice-Chair

Paul M. Eaton, Mayor
City of Montclair

Mark Nuaimi, Mayor
City of Fontana

Pat Gilbreath, Council
City of Redlands

Patti Aguiar, Supervisor
County of San Bernardino

Bea Cortes, Council
City of Grand Terrace

Kurt Wilson, Mayor Pro Tem
City of Rialto

Dr. Clifford Young, Supervisor
County of San Bernardino

Larry McCallon, Mayor Pro Tem
City of Highland

Judith Valles, Mayor
City of San Bernardino

Dennis Hansberger, Supervisor
County of San Bernardino

Robert Christman, Council
City of Loma Linda

John Pomierski, Mayor
City of Upland

Paul Biane, Supervisor
County of San Bernardino

Gary Ovitt, Mayor
City of Ontario

Richard Riddell, Mayor
City of Yucaipa

Eunice Ulloa, Mayor
City of Chino

San Bernardino Associated Governments
County Transportation Commission
County Transportation Authority
Service Authority for Freeway Emergencies
County Congestion Management Agency

Major Projects Committee

May 19, 2004

12:00 p.m.

CALL TO ORDER - 12:00 p.m.

(Meeting chaired by Council Member Kelly Chastain.)

- I. Attendance
- II. Announcements
- III. Agenda Notices/Modifications – Pam Cinque
- IV. Call to order the joint meeting of the Plans and Programs and Major Projects Committees for consideration of the **Measure I Extension Ordinance and Development Mitigation Principles**

Discussion Item

Notes/Action

1. Measure I Extension Ordinance and Request for Placement on November 2004 Ballot [MPC0405A-DRB](#) [ORDINANCE](#)

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- 1. Find that the approval by the San Bernardino County Transportation Authority of Ordinance No. 04-01 requesting the Board of Supervisors to place a measure on the ballot to extend the existing one half of one percent sales tax for transportation purposes is a project exempt under the California Environmental Quality Act Guidelines, section 15378(b)(3) and Public Resources Code section 21080(b)(13).
- 2. Approve Ordinance No. 04-01 by two-thirds vote providing for the continuation of a one-half of one percent retail transactions and use tax by the San Bernardino County Transportation Authority for local transportation purposes.
- 3. Adopt the Transportation Expenditure Plan for the revenues expected to be derived from the tax together with other federal, state, and local funds expected to be available for transportation improvements, for the period during which the tax is to be imposed.
- 4. Request the San Bernardino County Board of Supervisors to call an election for voter approval of the proposition as specified in Exhibit C of Ordinance No. 04-01 for the extension of the Measure “I” tax.
Norman R. King

This item will be considered jointly with the Plans and Programs Committee.

2. **Development Mitigation Principles** [MPC0405B-DMK PRINCIPLES](#)

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Approve Proposed Development Mitigation Principles. **Ty Schuiling**

This item will be considered jointly with the Plans and Programs Committee.

ADJOURNMENT

**The Next Major Projects Meeting
is June 10, 2004.**

San Bernardino Associated Governments

Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the San Bernardino Associated Governments (SANBAG) Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the SANBAG Board of Directors and Policy Committees.

Accessibility

The SANBAG meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is (909) 884-8276 and office is located at 472 N. Arrowhead Avenue, San Bernardino, CA.

Agendas – All agendas are posted at 472 N. Arrowhead Avenue, San Bernardino at least 72 hours in advance of the meeting, Staff reports related to agenda items may be reviewed at the SANBAG offices located at 472 N. Arrowhead Avenue, San Bernardino.

Agenda Actions – Items listed on both the “Consent Calendar” and “Items for Discussion” contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However, items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.

Closed Session Agenda Items – Consideration of closed session items *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.

Public Testimony on an Item – Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Board of Directors or Policy Committee Members should complete a “Request to Speak” form, provided at the rear of the meeting room, and present it to the SANBAG Clerk prior to the Board's consideration of the item. A "Request to Speak" form must be completed for *each* item when an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times – The Board is concerned that discussion take place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment – At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject with SANBAG's authority. *Matters raised under “Public Comment” may not be acted upon at that meeting. The time limits established in Rule #4 still apply.*

Disruptive Conduct – If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Please be aware that a NO SMOKING policy has been established for SANBAG meetings. Your cooperation is appreciated!

Minute Action

AGENDA ITEM: 1

Date: May 19, 2004

Subject: Measure I Extension Ordinance and Request for Placement on November 2004 Ballot

- Recommendation:**** 1. Find that the approval by the San Bernardino County Transportation Authority of Ordinance No. 04-01 requesting the Board of Supervisors to place a measure on the ballot to extend the existing one half of one percent sales tax for transportation purposes is a project exempt under the California Environmental Quality Act Guidelines, section 15378(b)(3) and Public Resources Code section 21080(b)(13).
2. Approve Ordinance No. 04-01 by two-thirds vote providing for the continuation of a one-half of one percent retail transactions and use tax by the San Bernardino County Transportation Authority for local transportation purposes.
3. Adopt the Transportation Expenditure Plan for the revenues expected to be derived from the tax together with other federal, state, and local funds expected to be available for transportation improvements, for the period during which the tax is to be imposed.
4. Request the San Bernardino County Board of Supervisors to call an election for voter approval of the proposition as specified in Exhibit C of Ordinance No. 04-01 for the extension of the Measure "I" tax.

*

Approved
San Bernardino Associated Governments
Major Projects Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

Background:

San Bernardino County voters approved Measure I, the County's one-half of one percent transactions and use tax for transportation improvements, in November 1989. Since its inception, Measure I has provided funding for numerous transportation projects, including freeways, local roads, major streets, interchanges, the Metrolink commuter train system, public buses, traffic signals, and more. Measure I will expire in 2010.

During the past year, SANBAG Board Members have developed a proposal to continue Measure I. The process to develop the proposal included workshops involving Council Members, County Supervisors, and technical staff from all subareas of the county, as well as numerous stakeholders from the public and private sectors. Upon approved by the voters, it would authorize the continued collection of a one-half of one percent sales tax for a 30-year period from 2010 to 2040, generating an anticipated total of \$6 billion for local transportation projects, without raising additional taxes. These funds would remain in San Bernardino County and could not be borrowed or suspended by the state or federal governments for any reason.

A million more people are projected to live in San Bernardino County by 2030, and the continuation of Measure I will help fight traffic congestion with a long-term funding source for freeways, highways, major streets, local streets, passenger trains and bus fare discounts for seniors and persons with disabilities. Measure I also will help improve road access for emergency responders, such as police, fire and ambulance services and will help repair badly deteriorated roads countywide. Measure I will help boost San Bernardino County's economy by providing construction-related jobs and manufacturing jobs and by making the area more attractive to businesses that need an effective transportation network for its employees and customers. Annual financial audits and an Independent Taxpayer Oversight Committee will insure that funds are spent appropriately.

This item includes both a finding that the proposed action is a project exempt from CEQA review pursuant to both the CEQA Guidelines and the California Public Resources Code, and approval of Ordinance No. 04-01 requesting placement on the ballot of a measure to continue Measure I, the half cent transportation tax.

Public Utilities Code Section requires approval of the Transportation Expenditure Plan by the Board of Supervisors and a majority of the cities with a majority of the population. In May 2004, the SANBAG Board approved the Transportation Expenditure Plan for circulation among the cities/towns and the Board of Supervisors and recommended that each jurisdiction approve the Transportation Expenditure Plan.

Certain actions by governmental entities within the state of California are subject to the provisions of CEQA. The recommended action includes a finding by the SANBAG Board of Directors that this proposed action to place a measure on the ballot to extend the existing one half of one percent sales tax for transportation purposes is a project exempt under both the California Environmental Quality Act Guidelines, section 15378(b)(3) and Public Resources Code section 21080(b)(13). The project is exempt pursuant to the CEQA Guidelines because it is a ballot measure submitted to the voters. It is also exempted by the Public Resources Code because it constitutes development of a regional transportation improvement program.

The Measure I Transportation Expenditure Plan specifies the allocation of tax revenue countywide for the new measure, which would take effect upon the expiration of the current measure in 2010. Key elements of the Plan are as follows:

- The Plan retains the six county subareas and directs revenues generated from each subarea to be expended on transportation projects of direct benefit to that subarea. Within the San Bernardino Valley Subarea, the funds collected from this subarea would be used for projects of direct benefit to the Valley using the following formula:

- 29% Freeway projects
- 11% Freeway interchange projects
- 20% Major street projects
- 20% Local street projects (Returned to local jurisdictions for priority projects)
- 8% Metrolink/rail service
- 8% Senior and disabled transit service
- 2% Express bus/bus rapid transit service
- 2% Traffic management systems (signal synchronization, commuter assistance, etc.)

- Within the Mountain/Desert Subareas (the North Desert Subarea, the Colorado River Subarea, the Morongo Basin Subarea, the Mountains Subarea and the Victor Valley Subarea), the funds collected from each subarea would be used for projects of benefit to each subarea using the following formula:

- 70% Local street projects (Returned to local jurisdictions for priority projects)
- 25% Major local highway projects
- 5% Senior and disabled transit service

- The Plan would reserve 3% of the revenue generated in both the San Bernardino Valley Subarea and the Victor Valley Subarea for

improvements to the Cajon Pass, which are critical for intra-county travel for residents of both subareas.

- The Plan provides for all future development to pay its fair share for needed transportation facilities as a result of the new development. No Measure I revenue would be used to replace the fair share contributions required from new development.
- The Plan also contains a requirement for annual financial audits of each jurisdiction's expenditure of Measure I funds and establishment of an Independent Taxpayer Oversight Committee.

Financial Impact: This action will have no financial impact on the SANBAG budget. Approval of the continuation of Measure I will result in \$6 billion in transportation revenue countywide for the 30 year term. Based upon return to source, a total of \$1.3 billion would be allocated to the Mountain/Desert subareas and \$4.5 billion would be allocated for San Bernardino Valley subarea projects. Approximately \$170 million would be allocated for improvements to the Cajon Pass, derived from 3% of the revenue generated in the Valley and the Victor Valley.

Reviewed By: In April 2004, SANBAG policy committees reviewed the Transportation Expenditure Plan and unanimously recommended approval. In May, policy committees will review and make recommendations on setting the election for voter approval of continuation of the Measure I half-cent transportation tax.

Responsible Staff: Norman R. King, Executive Director, and SANBAG Staff

DRAFT

MEASURE "I"

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY ORDINANCE NO. 04-01

AN ORDINANCE PROVIDING FOR THE CONTINUATION OF A ONE-HALF OF ONE PERCENT RETAIL TRANSACTIONS AND USE TAX BY THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FOR LOCAL TRANSPORTATION PURPOSES AND THE TRANSPORTATION EXPENDITURE PLAN

PREAMBLE

This one-half of one percent retail transactions and use tax is statutorily dedicated for transportation planning, design, construction, operation and maintenance only in San Bernardino County and cannot be used for other governmental purposes or programs. There are specific safeguards in this Ordinance to ensure that funding from the Measure "I" one-half of one percent transactions and use tax is used in accordance with the specified voter-approved transportation project improvements and programs. These safeguards include:

- The specific projects and programs included in the Expenditure Plan will be funded by revenue raised by this transactions and use tax. The transportation Expenditure Plan can be changed only upon approval by a majority of all cities in the County representing a majority of the incorporated population and approval by the San Bernardino County Board of Supervisors.
- An Independent Taxpayer Oversight Committee is created to provide for citizen review to insure that all Measure "I" funds are spent in accordance with provisions of the Expenditure Plan and Ordinance.
- Continuation of San Bernardino County's one-half of one percent transactions and use tax is for transportation programs only and is not intended to replace traditional revenues generated through locally-adopted development fees and assessment districts. Collection of the one-half of one percent transactions and use tax will start upon the expiration of the Existing Tax.
- The San Bernardino County Transportation Authority will continue to seek maximum funding for transportation improvements through State and federal programs. The Authority will not provide transactions and use tax revenue to any city or to the County unless all transportation revenues currently used by that agency are continued to be used for transportation purposes.

The San Bernardino County Transportation Authority ordains as follows:

SECTION I. SUMMARY. This Ordinance provides for the continued imposition of a retail transactions and use tax of one-half of one percent for local transportation purposes for a period of thirty (30) years, the authority to issue limited tax bonds secured by such taxes, the administration of the tax proceeds and a county transportation Expenditure Plan.

SECTION II. MANDATED TAXPAYER SAFEGUARDS.

A. Independent Taxpayer Oversight Committee. Beginning on April 1, 2010, an Independent Taxpayer Oversight Committee will be established as specified in Exhibit B of this Ordinance to provide citizen review and to insure that all Measure "I" funds are spent in accordance with provisions of the Expenditure Plan and Ordinance. Exhibit B contains the specific terms and conditions for an Independent Taxpayer Oversight Committee and its review of periodic independent financial audits.

B. Administrative Costs. The Authority shall expend only that amount of funds generated from the tax that is necessary and reasonable to carry out its responsibilities for audit, administrative expenses, staff support, and contract services. In no case shall the funds expended for salaries and benefits exceed one percent (1%) of the annual net amount of revenue raised by the tax.

C. Maintenance of Effort. The Authority, by the enactment of this Ordinance, intends the additional funds provided government agencies by this measure to supplement existing local revenues being used for street and highway purposes. Transactions and use tax revenue shall not be used to replace existing road funding programs or to replace requirements for new development to provide for its own road needs. Under this Measure, funding priorities should be given to addressing current road needs, easing congestion, and improving roadway safety.

The government agencies shall maintain their existing commitment of transportation funds for street, highway and public transit purposes, and the Authority shall enforce this provision by appropriate actions, including fiscal audits of the local agencies.

SECTION III. DEFINITIONS. The following definitions shall apply in this Ordinance:

A. "The Expenditure Plan" means the San Bernardino County Transportation Authority Expenditure Plan (attached as Exhibit A and adopted as part of this Ordinance) including any future amendments thereto.

B. "County" means the County of San Bernardino.

C. "Authority" means the San Bernardino County Transportation Authority. The San Bernardino County Transportation Commission has been designated to serve as the Authority under the provisions of Public Utilities Code Section 180050.

D. "Existing Tax" means the one-half of one percent retail transactions and use tax adopted pursuant to Ordinance No. 89-01 and Ordinance No. 90-01.

SECTION IV. AUTHORITY. This Ordinance is enacted, pursuant to the provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code, and Section 7252.16 of the Revenue and Taxation Code.

SECTION V. CONTINUED IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX.

Upon voter approval of Measure "I," the Authority shall continue to impose, in the incorporated and unincorporated territory of the County of San Bernardino, a transactions and use tax for transportation purposes (referred to as "the tax") at the rate of one-half of one percent (0.5%) for a period of thirty (30) years beginning April 1, 2010. There shall be no coincidental assessment of the current tax (which will expire on March 31, 2010) and the tax to be imposed pursuant to this Ordinance. The tax shall be imposed by the Authority in accordance with Section 180201 of the

Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The provisions of Revenue and Taxation Code Sections 7261 and 7262 are incorporated herein by reference as though fully set forth herein. The tax shall be in addition to any other taxes authorized by law, including any existing or future state or local sales tax or transactions and use tax.

SECTION VI. PURPOSES. Revenues from the tax shall be used for transportation purposes only and may include, but are not limited to, the administration of this division, including legal actions related thereto and costs of the initial preparation and election, the construction, maintenance, improvements, and operation of local streets, roads, and highways, state highways and freeways, public transit systems including rail, and related purposes. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. Expenditures also include, but are not limited to, debt service on bonds and expenses in connection with issuance of bonds.

SECTION VII. RETURN TO SOURCE. After deduction of required Board of Equalization fees and authorized administrative costs, revenues generated from each specified subarea within San Bernardino County as outlined in the Expenditure Plan will be expended on projects of direct benefit to that subarea. Revenues will be accounted for separately for each subarea and then allocated to specified project categories in each subarea. Decisions on how revenues are expended within the subareas will be made by the Authority Board of Directors, based upon recommendations of local representatives. Other than the projects identified in the Cajon Pass Expenditure Plan, revenues generated within a subarea shall be expended outside of that subarea only upon approval of two-thirds (2/3) of the jurisdictions within the affected subarea.

SECTION VIII. CONTRIBUTIONS FROM NEW DEVELOPMENT. No revenue generated from the tax shall be used to replace the fair share contributions required from new development. Each local jurisdiction identified in the Development Mitigation Program must adopt a development financing mechanism within 24 months of voter approval of this Measure "I" that would:

1. Require all future development to pay its fair share for needed transportation facilities as a result of the development, pursuant to California Government Code Section 66000 et seq. and as determined by the Congestion Management Agency.
2. Comply with the Land Use/Transportation Analysis and Deficiency Plan provisions of the Congestion Management Program pursuant to California Government Code Section 65089.

The Congestion Management Agency shall require fair share mitigation for regional transportation facilities through a Congestion Management Program update to be approved within 12 months of voter approval of this Measure "I."

SECTION IX. ADMINISTRATION OF PLANS. The Authority shall impose and collect the tax, and shall administer the Expenditure Plan consistent with the provisions and priorities of the Expenditure Plan and consistent with the authority cited herein.

SECTION X. BONDING AUTHORITY. Upon voter approval of Measure "I", the Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, bonds, or other evidence of indebtedness, including, but not limited to, capital appreciation bonds, in the aggregate principal amount at any one time outstanding of not to exceed the estimated proceeds of the tax, as determined by the Expenditure Plan, and to secure such indebtedness solely by

way of future collection of taxes, for capital outlay expenditures for the purposes set forth in Section V hereof, including the carrying out of transportation projects described in the Expenditure Plan.

SECTION XI. ANNUAL APPROPRIATIONS LIMIT. The annual appropriations limit has been established pursuant to Ordinance 89-01 pursuant to Section 4 of Article XIIB of the California Constitution and Section 180202 of the Public Utilities Code. The appropriations limit has and shall be subject to adjustment as provided by law.

SECTION XII. EFFECTIVE AND OPERATIVE DATES. Subject to voter approval, this Ordinance shall become operative on the first day of the first calendar quarter commencing more than 110 days after adoption of this Ordinance. Prior to the operative date of this Ordinance, the Authority shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of this Ordinance.

SECTION XIII. ELECTION. The Authority requests the Board of Supervisors to call an election for voter approval of the attached proposition Measure "I" (Exhibit C), which election shall be held on November 2, 2004, and consolidated with other elections to be held on that same date, that the measure retains its designation as Measure "I," and that it appear first in order on the local San Bernardino County ballot before all other local measures. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county. The sample ballot to be mailed to the voters shall be the full proposition as set forth in this Ordinance, and the voter information handbook shall include the entire Expenditure Plan. Approval of the attached proposition and the imposition of the tax shall require the affirmative vote of 2/3rds of the electors voting on the attached proposition at the election described in this section.

SECTION XIV. EXPENDITURE PLAN AMENDMENTS. The Expenditure Plan may only be amended by the following process:

1. Beginning in 2015, and at least every ten years thereafter, the Authority shall review and, where necessary, propose revision to the Expenditure Plan. Such review shall consider recommendations from local governments, transportation agencies and interest groups, and the general public.
2. The Authority shall notify the cities/towns and Board of Supervisors of the proposed revision and initiation of an amendment, reciting findings of necessity.
3. Actions of the city/town councils and Board of Supervisors to approve or to oppose the amendment shall be formally communicated to the Authority within 60 days of notice of initiation of amendment.
4. The boundaries of subareas shall be amended only by unanimous approval of all the jurisdictions in the subareas where an amendment is proposed to include or exclude territory.
5. Approval of the amendment by a majority of the cities/towns constituting a majority of the incorporated population provided, however, that any amendment of the Victor Valley Expenditure Plan (Schedule E) shall also require the **[unanimous (Victorville recommendation) or two-thirds (SANBAG staff recommendation)]** vote of the jurisdictions within the Victor Valley subarea.
6. Approval of the amendment by the Board of Supervisors.
7. Approval of the amendment by the Authority.

SECTION XV. SEVERABILITY. If any tax or provision of this Ordinance is for any reason held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining taxes or provisions, or the existing tax and the Authority

declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

SECTION XVI. THE EXISTING TAX. Nothing in the Ordinance is intended to modify, repeal, alter or increase the Existing Tax. The provisions of this Ordinance shall apply solely to the retail transactions and use tax adopted herein and not to the collection or administration of the Existing Tax.

APPROVED AND ADOPTED by the San Bernardino County Transportation Authority at its meeting on _____ by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTION:

By: _____
Chairman
San Bernardino County Transportation Authority

Exhibit A

Transportation Expenditure Plan

Revenue Estimates and Distribution. Allocation of revenue authorized by Ordinance No. 04-01 is established within this Expenditure Plan. Funds shall be allocated by percentage of the actual revenue received. An estimate of revenues and allocation among categories is reflected in Schedule A – Transportation Improvement Program. The estimated revenue is based upon 2004 value of money and is not binding or controlling.

Return to Source. After deduction of required Board of Equalization fees and authorized costs, revenues generated from each specified subarea within San Bernardino County will be expended on projects of direct benefit to that subarea. Revenues will be accounted for separately for each subarea and then allocated to specified project categories. Decisions on how revenues are expended within the subareas will be made by the Authority Board of Directors, based upon recommendation of local representatives.

Subarea Identification. The San Bernardino Valley Subarea will include the cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland and Yucaipa and unincorporated areas in the east and west portions of the San Bernardino valley urbanized area. The Mountain-Desert area will include the following subareas: (1) The North Desert Subarea, which includes the City of Barstow and surrounding unincorporated areas; (2) The Colorado River Subarea, which includes the City of Needles and the surrounding unincorporated areas of the East Desert; (3) The Morongo Basin Subarea, which includes the City of Twentynine Palms, Town of Yucca Valley, and surrounding unincorporated areas; (4) The Mountain Subarea, which includes the City of Big Bear Lake and surrounding unincorporated areas of the San Bernardino Mountains; and (5) the Victor Valley Subarea, which includes the Cities of Adelanto, Hesperia, and Victorville; the Town of Apple Valley; and surrounding unincorporated areas including Wrightwood.

Contribution from New Development. No revenue generated from the tax shall be used to replace the fair share contributions required from new development.

Requirement for Annual Financial and Compliance Audits of Measure “I” Funds. The San Bernardino County Transportation Authority and each agency receiving an allocation of Measure “I” revenue authorized in this Expenditure Plan shall undergo an annual financial audit performed in accordance with generally accepted auditing standards and government auditing standards issued by the Comptroller General of the United States. Compliance audits also shall be conducted to insure that each agency is expending funds in accordance with the provisions and guidelines established for Measure “I” revenue.

Cajon Pass Expenditure Plan. Three percent of the revenue generated in the San Bernardino Valley Subarea and the Victor Valley Subarea will be reserved in advance of other allocations specified in this plan in an account for funding of the I-15/I-215 Interchange in Devore, I-15 widening through Cajon Pass, and truck lane development. Cajon Pass serves as the major transportation corridor connecting the two urbanized areas within San Bernardino County and is in need of the identified improvements. These improvements are critical components to intra-county travel for residents of both the Victor Valley and San Bernardino Valley. Projects to be constructed from the Cajon Pass Expenditure Plan are listed in Schedule C.

San Bernardino Valley Subarea Expenditure Plan. In that area described as the Valley Subarea, project categories shall be established as specified below. The San Bernardino Valley Subarea Expenditure Plan is illustrated in Schedule D.

A. State and Federal Transportation Funds. A proportional share of projected state and federal transportation funds shall be reserved for use solely within the Valley subarea.

B. Revenue Estimates. Tax revenues generated by Ordinance No. 04-01 for the Valley subarea over a thirty year period are estimated to be **\$4,520 million**. Approximately **\$881 million** in state and federal funds and approximately **\$777 million** in contributions from new development are projected for the area over this period, for an estimated total Valley area revenue of **\$6,178 million** for transportation improvements. Revenue estimates are not binding or controlling.

C. Freeway Projects. 29% of revenue collected in the San Bernardino Valley Subarea shall fund freeway projects within the San Bernardino Valley Subarea. Projects to be constructed with Freeway Projects funds are listed in Schedule D1. Cost estimates for such projects are not binding or controlling.

D. Freeway Interchange Projects. 11% of revenue collected in the Valley Subarea shall fund Freeway Interchange Projects. Projects to be constructed with Freeway Interchange Projects funds are listed in Schedule D2. Equitable geographic distribution of projects shall be taken into account over the life of the program.

E. Major Street Projects. 20% Over the thirty-year life of Measure "I," the Major Street Projects category will accrue approximately 18% of revenue collected in the Valley. Upon initial collection of revenue, the Major Street Projects category will receive 20% of revenue collected in the Valley. Effective ten years following initial collection of revenue, the Major Street Projects allocation shall be reduced to no more 17% but to not less than 12% upon approval by the Authority Board of Directors and the Express Bus/Bus Rapid Transit Service allocation shall be increased by a like amount. Amendments beyond those authorized in this section shall require a formal amendment as provided in the Measure "I" Ordinance.

Major Street Projects are defined as congestion relief and safety improvements to major streets that connect communities, serve major destinations, and provide freeway access. The Major Street Projects portion of the San Bernardino Valley program shall be expended pursuant to a five-year project list to be annually adopted by the Authority after being made available for public review and comment. Funding priorities shall be given to improving roadway safety, relieving congestion, street improvements at rail crossings and shall take into account equitable geographic distribution over the life of the program.

F. Local Street Projects. 20% of revenue collected in the Valley Subarea shall be distributed among local jurisdictions in the Valley Subarea for Local Street Projects. Allocations to local jurisdictions shall be on a per capita basis using the most recent State Department of Finance population estimates for January 1, with the County's portion based upon unincorporated population in the Valley Subarea. Estimates of unincorporated population within the Valley Subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate for January 1 of each year.

Local Street Projects are defined as local street and road construction, repair, maintenance and other eligible local transportation priorities. Local Street Project funds can be used flexibly for any eligible transportation purpose determined to be a local priority, including local streets, major highways, state highway improvements, transit, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Street Project funds shall be based upon a Five Year Plan adopted annually by the governing body of each jurisdiction after being made

available for public review and comment. Local Street Project funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five Year Plan. The local adopted Five Year Plan shall be consistent with local, regional, and state transportation plans.

G. Metrolink/Rail Service. 8% of revenue collected in the Valley Subarea shall fund Metrolink/Rail Service. Eligible expenditures of Metrolink/Rail Service funds include purchase of additional commuter rail passenger cars and locomotives for use on Metrolink lines serving San Bernardino County; construction of additional track capacity necessary to operate more passenger trains on Metrolink lines serving San Bernardino County; construction of additional parking spaces at Metrolink stations in San Bernardino County; and provision of funds to match State and Federal funds used to maintain the railroad track, signal systems, and road crossings for passenger rail service in San Bernardino County, construction and operation of a new passenger rail service between the cities of San Bernardino and Redlands, and construction and operation of an extension of the Gold Line to Montclair Transit Center for San Bernardino County passengers traveling to San Gabriel Valley cities, Pasadena, and Los Angeles. Projects to be funded by Metrolink/Rail Service funds are listed in Schedule D5.

H. Senior and Disabled Transit Service. 8% of revenue collected in the Valley Subarea shall fund Senior and Disabled Transit Service. 6% of revenue collected in the Valley Subarea in this category shall be expended to reduce fares and enhance service for senior citizens and persons with disabilities. Eligible expenditures in the Senior and Disabled Transit Service category shall include: (1) The provision of funding to off-set a portion of future senior and disabled fare increases that would apply to fixed route, Community Link and complementary paratransit services. (2) The provision of local funds to help off-set operating and capital costs associated with special transit services provided by transit operators, cities and non-profit agencies for seniors and persons with disabilities. (3) At least 2% of the revenue collected in the Valley Subarea in this category will be directed to the creation of a Consolidated Transit Service Agency which will be responsible for the coordination of transit services provided to seniors and persons with disabilities.

I. Express Bus/Bus Rapid Transit Service. 2% Over the thirty-year life of Measure "I," the Express Bus/Bus Rapid Transit Service category will accrue approximately 4% of revenue collected in the Valley. Upon initial collection of revenue, the Express Bus/Bus Rapid Transit Service category will receive 2% of revenue collected in the Valley. Effective ten years following initial collection of revenue, the Express Bus/Bus Rapid Transit Service category shall be increased to at least 5%, but no more than 10% upon approval by the Authority Board of Directors. The Major Street Projects category shall be reduced by a like amount. Amendments beyond those authorized in this section shall require a formal amendment as provided by the Measure "I" Ordinance.

Funds in this category shall be expended for the development, implementation and operation of express bus and bus rapid transit service, to be jointly developed by the Authority and transit service agencies serving the Valley Subarea. Eligible projects to be funded by Express Bus/Bus Rapid Transit Service funds shall include contributions to operating and capital costs associated with implementing high-speed, express-type bus service in high-density travel corridors.

J. Traffic Management Systems. 2% of revenue collected in the Valley Subarea shall fund traffic management systems. Eligible projects under this category shall include signal synchronization, systems to improve traffic flow, commuter assistance programs, freeway service patrol, and projects which contribute to environmental enhancement associated with transportation facilities.

Mountain/Desert Expenditure Plan. In that area described as the Mountain/Desert Area, the following Expenditure Plan requirements shall apply. Schedules E, F, G, H, I illustrate estimated revenue and projects to be constructed in each Mountain/Desert subarea.

A. State and Federal Transportation Funds. A proportional share of projected state and federal transportation funds shall be reserved for use solely within the Mountain/Desert subareas.

B. Revenue Estimates. Tax revenues generated by Ordinance No. 04-01 for the Mountain/Desert region over a thirty year period are estimated to be **\$1,250 million**. Approximately **\$165 million** in state and federal funds and approximately **\$369 million** in contributions from new development are projected for the area over this period, for an estimated total Mountain-Desert area revenue of **\$1,784 million** for transportation improvements. Revenue estimates are not binding or controlling.

C. Local Street Projects. 70% of revenue collected within each subarea shall be apportioned for Local Street Projects within each subarea. 2% of revenue collected within each subarea shall be reserved in a special account to be expended on Project Development and Traffic Management Systems. Eligible Project Development and Traffic Management Systems projects may include, at the discretion of local subarea representatives, costs associated with corridor studies and project study reports, projects to improve traffic flow and maximize use of transportation facilities, congestion management, commuter assistance programs, and projects which contribute to environmental enhancement associated with highway facilities. Expenditure of Project Development and Traffic Management Systems funds shall be approved by the Authority Board of Directors, based upon a recommendation of subarea representatives and the Mountain/Desert Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Project Development and Traffic Management Systems funds are not required for improvements of benefit to the subarea, then revenue in the Project Management and Traffic Management Systems category may be returned to the general Local Street Projects category. Such return shall be allocated and expended based upon the formula and requirements established in the general Local Street Projects category.

After reservation of 2% collected in each subarea for Project Development and Traffic Management Systems, the remaining amount of funds in the general Local Street Projects category shall be allocated to local jurisdictions based upon population (50 percent) and tax generation (50 percent). Population calculations shall be based upon the most current State Department of Finance estimates for January 1 of each year. Estimates of unincorporated population within each subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate. Tax generation calculations shall be based upon State Board of Equalization data. Schedules E, F, G, H, I reflect the estimate of revenue available for Local Street Projects in each Mountain/Desert subarea.

Projects in the general Local Street Projects category are defined as local street and road construction, repair, maintenance and other eligible local transportation priorities. Local Transportation Project funds may be used flexibly for any eligible transportation purpose determined to be a local priority, including local roads, major streets, state highway improvements, transit, including but not limited to, fare subsidies and service enhancements for seniors and persons with disabilities, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Transportation Project Funds shall be based upon the Five Year Plan adopted annually by resolution of the governing body of each jurisdiction after being made available for public review and comment. Local Street Project funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five Year Plan. The locally adopted Five Year Plans shall be consistent with other local, regional, and state transportation plans.

D. Major Local Highway Projects. 25% of revenue collected within each subarea shall be reserved in a special account to be expended on Major Local Highway Projects of benefit to the subarea. Major Local Highway Projects are defined as major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways, where appropriate. Major Local Highway Projects funds can be utilized to leverage other state and federal funds for transportation projects and to perform advance planning/project reports. Expenditure of Major Local Highway Projects funds shall be approved by the Authority Board of Directors, based upon a recommendation of subarea representatives and the Mountain/Desert Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Committee make a finding that Major Local Highway Projects funds are not required for improvements of benefit to the subarea, then revenue in the Major Local Highway Projects category may be returned to jurisdictions within the subarea. Such return shall be allocated and expended based upon the formula and requirements established in the general Local Street Projects category.

E. Senior and Disabled Transit Service. 5% of revenue collected within each subarea shall be reserved in an account for Senior and Disabled Transit Service. Senior and Disabled Transit is defined as contributions to transit operators for fare subsidies for senior citizens and persons with disabilities or enhancements to transit service provided to seniors and persons with disabilities. In the Victor Valley subarea, the percentage for Senior and Disabled Transit Service shall increase by .5% in 2015 with additional increases of .5% every five years thereafter to a maximum of 7.5%. Such increases shall automatically occur unless each local jurisdiction within the subarea makes a finding that such increase is not required to address unmet transit needs of senior and disabled transit users. In the North Desert, Colorado River, Morongo Basin, and Mountain Subareas, local representatives may provide additional funding beyond 5% upon a finding that such increase is required to address unmet transit needs of senior and disabled transit services. All increases above the 5% initial revenue collected for Senior and Disabled Transit Service shall come from the general Local Street Projects category of the subarea.

Expenditure of Senior and Disabled Transit Service funds shall be approved by the Authority Board of Directors, based upon recommendation of subarea representatives and the Mountain/Desert Committee.

F. Mountain/Desert Committee. The Mountain-Desert Committee of the Authority shall remain in effect and provide oversight to implementation of the Mountain/Desert Expenditure Plan.

Measure "I" Transportation Expenditure Plan Schedules

SCHEDULE A

Countywide Measure "I" Revenue and Distribution

Estimated Countywide Measure "I" Distribution	Amount
Cajon Pass Expenditure Plan (3% of San Bernardino Valley Subarea and Victor Valley Subarea Revenues - See Schedule C)	\$ 170 Million
Total San Bernardino Valley Subarea Expenditure Plan (See Schedule D)	\$ 4,520 Million
Total Mountain-Desert Expenditure Plan	\$ 1,250 Million
Victor Valley Subarea (See Schedule E)	\$ 852 Million
North Desert Subarea (See Schedule F)	\$ 95 Million
Mountains Subarea (See Schedule G)	\$ 119 Million
Morongo Basin Subarea (See Schedule H)	\$ 125 Million
Colorado River Subarea (See Schedule I)	\$ 59 Million

SCHEDULE B

Transportation Improvement Revenues

Total Countywide Transportation Revenues	Amount
Estimated Countywide Measure "I" Revenue	\$ 6,120 Million
(Less 1% Administration and 2% Board of Equalization Collection Charge)	<u>(\$ 180) Million</u>
Countywide Measure "I" Revenue Available for Transportation Projects (See Schedule A)	\$ 5,940 Million
Estimated State and Federal Revenues	\$ 1,106 Million
Estimated Contributions from New Development	<u>\$ 1,146 Million</u>
Total Estimate Revenue Available for Transportation Projects	\$ 8,192 Million

SCHEDULE C

Cajon Pass Expenditure Plan

Project Description	Amount
<i>I-15 Widening and Improvement through Cajon Pass</i>	<i>\$ 170 Million</i>
<i>Devore Interchange Widening and Improvements at I-15/I-215</i>	<i>\$ 40 Million</i>
<i>I-15 Dedicated Truck Lane Development</i>	<i>\$ 20 Million</i>
<i>Total Cajon Pass Projects Cost</i>	<i>\$ 230 Million</i>
Cajon Pass Measure "I" Revenue	\$ 170 Million
State and Federal Revenues	<u>\$ 60 Million</u>
Total Cajon Pass Projects Revenues	\$ 230 Million

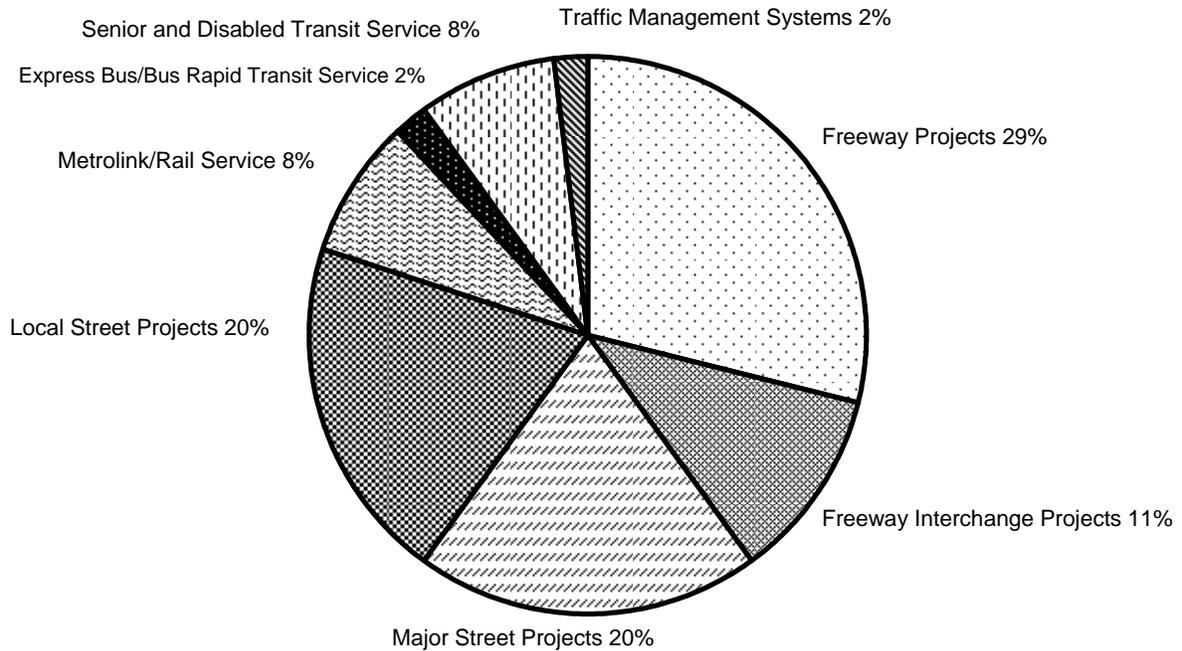
SCHEDULE D

San Bernardino Valley Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Freeway Projects (See Schedule D1)	29%	\$ 1,311 Million
Freeway Interchange Projects (See Schedule D2)	11%	\$ 497 Million
Major Street Projects* (See Schedule D3)	20%	\$ 814 Million
Local Street Projects (See Schedule D4)	20%	\$ 904 Million
Metrolink/Rail Service (See Schedule D5)	8%	\$ 362 Million
Express Bus/Bus Rapid Transit Service* (See Schedule D6)	2%	\$ 180 Million
Senior and Disabled Transit Service	8%	\$ 362 Million
Traffic Management Systems	<u>2%</u>	<u>\$ 90 Million</u>
Total San Bernardino Valley Subarea Measure "I" Revenue	100%	\$4,520 Million

* Percentage distribution adjusts to serve transportation needs. Amount shown is average over 30-year Measure.

FIGURE D
San Bernardino Valley Subarea Expenditure Plan



SCHEDULE D1

San Bernardino Valley Expenditure Plan Freeway Projects Detail

Freeway Projects	Amount
<i>I-10 Widening from I-15 to Riverside County Line</i>	\$ 610 Million
<i>I-15 Widening from Riverside County Line to I-215</i>	\$ 180 Million
<i>I-215 Widening from Riverside County Line to I-10</i>	\$ 120 Million
<i>I-215 Widening from SR-30/210 to I-15</i>	\$ 300 Million
<i>SR-30/210 Widening from I-215 to I-10</i>	\$ 140 Million
<i>Carpool Lane Connectors</i>	\$ 90 Million
<i>Total Freeway Projects Cost</i>	\$ 1,440 Million
Freeway Projects Measure "I" Revenue	\$ 1,311 Million
State and Federal Revenues	\$ 129 Million
Total Freeway Projects Revenues	\$ 1,440 Million

SCHEDULE D2

San Bernardino Valley Expenditure Plan Freeway Interchange Projects Detail

Freeway Interchange Projects	Amount
<i>Improvements including but not limited to:</i>	
<i>I-10 Interchanges at Monte Vista, Grove/Fourth St, Vineyard, Cherry, Citrus, Cedar, Riverside, Mt. Vernon, Tippecanoe, Mountain View, California, Alabama, Wabash, Live Oak Canyon, Wildwood Canyon</i>	
<i>I-15 Interchanges at 6th St/Arrow, Baseline, Duncan Canyon, Sierra</i>	
<i>SR-60 Interchanges at Ramona, Central, Mountain, Grove, Vineyard</i>	
<i>I-215 Interchanges at University Parkway and Palm</i>	
<i>SR-30/210 Interchanges at Waterman, Del Rosa, Highland, 5th St, and Baseline</i>	
Freeway Interchange Projects Measure "I" Revenue	\$ 497 Million
State and Federal Revenues	\$ 32 Million
Contribution from New Development	<u>\$ 333 Million</u>
Total Interchange Projects Revenues	\$ 862 Million

SCHEDULE D3

San Bernardino Valley Expenditure Plan Major Street Projects Detail

Major Street Projects	Amount
<i>Improvements to major streets that connect communities, serve major destinations, and provide freeway access, such as but not limited to:</i>	
<i>Edison, Pine, Central, Mountain, Grove</i>	
<i>Foothill/Fifth, Baseline, Valley, Slover, Jurupa</i>	
<i>Tippecanoe, Anderson, University, Palm</i>	
<i>Lugonia, Barton, improvements to relieve traffic on Yucaipa Blvd</i>	
<i>Railroad Crossing Improvements, such as but not limited to Milliken and Hunts Ln</i>	
Major Street Projects Measure "I" Revenue	\$ 814 Million
State and Federal Revenues	\$ 82 Million
Contribution from New Development	<u>\$ 444 Million</u>
Total Major Street Projects Revenues	\$ 1,340 Million

SCHEDULE D4

San Bernardino Valley Expenditure Plan Local Street Projects Detail

Local Street Projects	Amount
<i>Distribution to cities and County for street repair and improvements</i>	
Local Street Projects Measure "I" Revenue	\$ 904 Million
State and Federal Revenues	<u>\$ 187 Million</u>
Total Local Street Projects Revenues	\$ 1,091 Million

SCHEDULE D5

San Bernardino Valley Expenditure Plan Metrolink/Rail Service Detail

Metrolink/Rail Service	Amount
<i>Contributions to the following projects:</i>	
<i>Metrolink</i>	
<i>Redlands Extension</i>	
<i>Gold Line Extension</i>	
Metrolink/Rail Service Measure "I" Revenue	\$ 362 Million
State and Federal Revenues	<u>\$ 330 Million</u>
Total Metrolink/Rail Service Revenues	\$ 692 Million

SCHEDULE D6

San Bernardino Valley Expenditure Plan Express Bus/Bus Rapid Transit Service Detail

Express Bus/Bus Rapid Transit Service	Amount
Express Bus/Bus Rapid Transit Service Measure "I" Revenue	\$ 180 Million
State and Federal Revenues	<u>\$ 121 Million</u>
Total Express Bus/Bus Rapid Transit Service Revenues	\$ 301 Million

SCHEDULE E

Victor Valley Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 596 Million
Major Local Highway Projects	25%	\$ 213 Million
Senior and Disabled Transit Service	5%	<u>\$ 43 Million</u>
Total Victor Valley Subarea Measure "I" Revenue	100%	\$852 Million

Victor Valley Expenditure Plan Detail

Local Street Projects
*Distribution to cities and County for street repair and improvements
 New construction to relieve Bear Valley Rd, Rancho Rd, new east/west roadways*

Local Street Projects Measure "I" Revenue	\$ 596 Million
State and Federal Revenues	\$ 39 Million
Contribution from New Development, Major Streets	<u>\$ 281 Million</u>
Total Local Street Projects Revenues	\$ 916 Million

Major Local Highway Projects
*Contributions to Projects including but not limited to:
 New Interchanges at I-15 and Rancho, Eucalyptus, LaMesa/Nisqualli High Desert Corridor
 I-15 Widening through Victor Valley
 SR-138 Widening and Improvements
 US-395 Widening and Improvements*

Major Local Highway Projects Measure "I" Revenue	\$ 213 Million
State and Federal Revenues	\$ 112 Million
Contribution from New Development, Freeway Interchanges	<u>\$ 88 Million</u>
Total Major Local Highway Projects Revenues	\$ 413 Million

Senior and Disabled Transit Service **\$ 43 Million**

SCHEDULE F

North Desert Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 66 Million
Major Local Highway Projects	25%	\$ 24 Million
Senior and Disabled Transit Service	5%	<u>\$ 5 Million</u>
Total North Desert Subarea Measure "I" Revenue	100%	\$ 95 Million
<hr/>		
North Desert Expenditure Plan Detail		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
<i>Improvements including but not limited to Lenwood Rd, Armory Rd, Rimrock Rd and Main St</i>		
Local Street Projects Measure "I" Revenue		\$ 66 Million
State and Federal Revenues		<u>\$ 2 Million</u>
Total Local Street Projects Revenues		<u>\$ 68 Million</u>
<hr/>		
Major Local Highway Projects		\$ 24 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>SR-58 Widening and Improvements</i>		
<i>US-395 Widening and Improvements</i>		
<i>Lenwood Rd and Vista Rd Grade Separations in Barstow</i>		
<hr/>		
Senior and Disabled Transit Service		\$ 5 Million

SCHEDULE G

Mountains Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 83 Million
Major Local Highway Projects	25%	\$ 30 Million
Senior and Disabled Transit Service	5%	<u>\$ 6 Million</u>
Total Mountains Subarea Measure "I" Revenue	100%	\$119 Million
<hr/>		
Mountains Expenditure Plan Detail		
<hr/>		
Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
Local Street Projects Measure "I" Revenue		\$ 83 Million
State and Federal Revenues		<u>\$ 5 Million</u>
Total Local Street Projects Revenues		\$ 88 Million
<hr/>		
Major Local Highway Projects		\$ 30 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>SR-18 & SR-38 Safety and Traffic Flow Improvements</i>		
<i>SR-330 Safety and Traffic Flow Improvements</i>		
<i>SR-138 Safety and Intersection Improvements</i>		
<i>SR-18 Safety and Intersection Improvements</i>		
<i>Realignment and Rehabilitation of Daley Canyon Rd and Kuffel Canyon Rd</i>		
<hr/>		
Senior and Disabled Transit Service (5%)		\$ 6 Million

SCHEDULE H

Morongo Basin Subarea Expenditure Plan

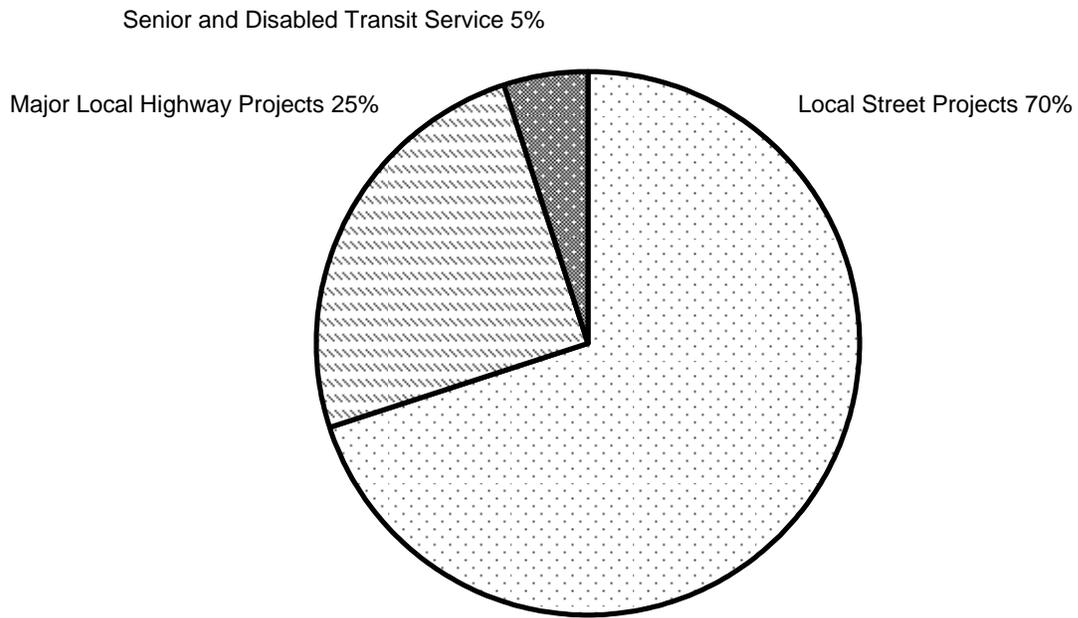
Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 88 Million
Major Local Highway Projects	25%	\$ 31 Million
Senior and Disabled Transit Service	5%	<u>\$ 6 Million</u>
Total Morongo Basin Subarea Measure "I" Revenue	100%	\$ 125 Million
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Morongo Basin Expenditure Plan Detail		
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Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
Local Street Projects Measure "I" Revenue		\$ 88 Million
State and Federal Revenues		<u>\$ 5 Million</u>
Total Local Street Projects Revenues		\$ 93 Million
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Major Local Highway Projects		\$ 31 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>SR-62 & SR-247 Widening and Safety Improvements</i>		
<i>SR-62 Widening and Safety Improvements between the Morongo Basin and the Coachella Valley</i>		
<hr/>		
Senior and Disabled Transit Service		\$ 6 Million

SCHEDULE I

Colorado River Subarea Expenditure Plan

Project Category	Measure "I" Percentage	Amount
Local Street Projects	70%	\$ 41 Million
Major Local Highway Projects	25%	\$ 15 Million
Senior and Disabled Transit Service	5%	<u>\$ 3 Million</u>
Total Colorado River Subarea Measure "I" Revenue	100%	\$ 59 Million
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Colorado River Expenditure Plan Detail		
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Local Street Projects		
<i>Distribution to cities and County for street repair and improvements</i>		
Local Street Projects Measure "I" Revenue		\$ 41 Million
State and Federal Revenues		<u>\$ 2 Million</u>
Total Local Street Projects Revenues		\$ 43 Million
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Major Local Highway Projects		\$ 15 Million
<i>Contributions to Projects including but not limited to:</i>		
<i>Needles Highway Widening and Realignment from I-40 to the Nevada State Line</i>		
<i>Reconstruction of J Street and Construction of new Bridge in Needles connecting I-40 to Arizona</i>		
<hr/>		
Senior and Disabled Transit Service (5%)		\$ 3 Million

FIGURE J
Mountain/Desert Expenditure Plan



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Exhibit B Independent Taxpayer Oversight Committee (ITOC)

ITOC Goal and Function. Voter approval of this Measure “I” shall result in creation of an Independent Taxpayer and Oversight Committee (ITOC) as follows:

The ITOC shall provide citizen review to insure that all Measure “I” funds are spent by the San Bernardino County Transportation Authority (hereby referred to as the Authority) in accordance with provisions of the Expenditure Plan and Ordinance No. 04-01.

Audit Requirement. A bi-annual fiscal and compliance audit shall be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The audit shall review the basic financial statements of the San Bernardino County Transportation Authority as defined by the Governmental Accounting Standard Board and the financial and compliance audits of the member jurisdictions.

Role of Financial and Compliance Audit and the ITOC. The ITOC shall review the annual audits of the Authority; report findings based on the audits to the Authority; and recommend any additional audits for consideration which the ITOC believes may improve the financial operation and integrity of program implementation.

The Authority shall hold a publicly noticed meeting, which may or may not be included on the agenda of a regularly scheduled Board meeting, with the participation of the ITOC to consider the findings and recommendations of the audits.

Membership and Selection Process. The Authority shall have an open process to select five committee members, which shall include solicitation of trade and other organizations to suggest potential nominees to the committee. The committee members shall possess the following credentials:

- One member who is a professional in the field of municipal audit, finance and/or budgeting with a minimum of five years in a relevant and senior decision-making position in the public or private sector.
- One member who is a licensed civil engineer or trained transportation planner with at least five years of demonstrated experience in the fields of transportation and/or urban design in government and/or the private sector. No member shall be a recipient or sub-recipient of Measure “I” funding.
- One member who is a current or retired manager of a major publicly financed development or construction projects, who by training and experience would understand the complexity, costs and implementation issues in building large scale transportation improvements.
- One member who is a current or retired manager of a major privately financed development or construction projects, who by training and experience would understand the complexity, costs and implementation issues in building large scale transportations improvements.
- One public member, who possesses the knowledge and skills which will be helpful to the work of the ITOC.

- The Chair and the Executive Director of the Authority shall serve as ex-officio members of the ITOC.

Terms and Conditions for Committees. Committee members shall serve staggered four-year terms. In no case shall any voting committee member serve more than eight years on the ITOC.

- Committee members shall serve without compensation, except they shall be reimbursed for authorized travel and other expenses directly related to the work of the ITOC.
- Committee members cannot be a current local elected official in the county or a full time staff member of any city, the county government, local transit operator, or state transportation agency.
- Non-voting ex-officio committee members shall serve only as long as they remain incumbents in their respective positions and shall be automatically replaced by their successors in those positions.
- If and when vacancies on the ITOC occur on the part of voting committee members, either due to expiration of term, death or resignation the nominating body for that committee shall nominate an appropriate replacement within 90 days of the vacancy to fill the remainder of the term.

ITOC Operation Protocols.

- Given the thirty-year duration of the tax extension, the ITOC shall be appointed 180 days after the effective date of the tax extension (April 1, 2010) and continue as long as Measure “I” revenues are collected.
- SANBAG Board of Directors and staff shall fully cooperate with and provide necessary support to insure the ITOC successfully carries out its duties and obligations.

Conflict of Interest. ITOC voting members shall have no legal action pending against SANBAG and are prohibited from acting in any commercial activity directly or indirectly involving SANBAG, such as being a consultant to SANBAG during their tenure on the ITOC. ITOC voting members shall not have direct commercial interest or employment with any public or private entity, which receives the transportation tax funds authorized by the voters in this Ordinance.

Exhibit C

Measure “I” Local Transportation Improvement Program

To relieve transportation congestion, improve safety and match state/federal grants, shall a 30-year extension of San Bernardino County's current half-cent sales tax (Ordinance 04-01) be approved for transportation purposes, such as to:

- Widen/improve I-10, I-15, I-210, I-215, SR-60, SR-62, SR-18, US-395;
- Improve freeway interchanges countywide;
- Improve local streets and roads;
- Expand transit for seniors and riders with disabilities;
- Expand Metrolink commuter rail;
- Establish an Independent Taxpayer Oversight Committee to review audits and ensure voter mandates are met?

Minute Action

AGENDA ITEM: 2

Date: May 19, 2004

Subject: Development Mitigation Principles

Recommendation:* Approve Proposed Development Mitigation Principles (attached).

Background: All sectors of the development community have indicated willingness to contribute their fair share to mitigating the impacts of growth on regional transportation facilities. Development mitigation principles were proposed and discussed between SANBAG representatives and the development community to reflect a mutual understanding of growth mitigation issues and the process by which they will be resolved.

Financial Impact: Development mitigation is expected to provide a fair share contribution of approximately \$1.1 billion to specific interchange, major street, and grade separation improvements in the urbanized portions of the County by 2030. Nearly half of this total would be generated through funds currently being collected from development by local governments; collection of the full fair share will occur through augmentation of local growth mitigation programs.

Reviewed By: This item will be reviewed by the Plans and Programs and Major Projects Committees on May 19, 2004.

Responsible Staff: Ty Schuiling, Director of Planning and Programming

*

Approved
San Bernardino Associated Governments
Major Projects Committee

Date: _____

Moved: _____ *Second:* _____

In Favor: _____ *Opposed:* _____ *Abstained:* _____

Witnessed: _____

Proposed Development Mitigation Principles

Revised May 11, 2004

- Local governments will collect and administer minimum fair-share development contributions to regional facility improvements required because of the development.
- The Congestion Management Agency's Development Mitigation Nexus Study (Nexus Study) is the preferred methodology for defining the fair-share development contribution to regional facility improvements required because of the development.
- The Nexus Study will define the appropriate development share of project costs for all regional improvements on the Nexus Study Network (i.e., freeway interchange, major street, and grade separation improvements) within the urban portions of the county.
- The CMP will provide the policy and technical framework for local collection and administration of fair-share development contributions for regional facility improvements.
- The CMP will describe the minimum requirements for local jurisdiction compliance through implementation of a qualifying local development mitigation program. The CMP will specify the implementation and administration requirements for local jurisdictions, and SANBAG's revised responsibilities as the Congestion Management Agency. SANBAG will rely on procedures in the CMP statute (withholding of Section 2105 gas tax dollars, allowance for a cure period, etc.) as the enforcement mechanism for development mitigation.
- Local jurisdictions shall adopt qualifying development mitigation programs by ordinance, based on principles and processes in the CMP. Development mitigation contributions will be collected locally and assigned to projects in accordance with local priorities, with multi-jurisdictional projects coordinated by a lead local agency.
- Nexus study project descriptions, costs, and growth estimates will be reviewed periodically and revised as needed, to coincide with updates of the CMP and/or Regional Transportation Plan (RTP). These nexus study revisions will be reflected in updates to local development mitigation programs.
- A qualifying ordinance will include the fair share cost of regional improvements calculated based on the nexus study methodology. Local governments will retain flexibility in how fair share amounts are collected through the qualifying ordinance.
- Mitigation requirements may be met by developers paying cash, building eligible facilities, or through development-based public financing vehicles such as Community Facilities Districts and Assessment Districts. SANBAG must receive copies of implementation documents within 30 days following adoption.
- Minimum mitigation requirements for local jurisdictions will allow for sufficient phase-in time to honor commitments made to projects already in the pipeline.
- Determination of conformance with the CMP will be made by SANBAG on an annual basis, according to the CMP statute. The basis of evaluation will be initial adoption of a qualifying ordinance, and annual submittal of a report to SANBAG on the CMP development mitigation program by each jurisdiction.
- Federal or state appropriations for specific projects will reduce the project costs, not just reduce the required developer mitigation. The share of the remaining project costs allocated to development and other sources will remain the same.
- Local flexibility will be allowed regarding collection of fees at either building permit issuance, close of escrow, or occupancy permit.
- The "Proposed Measure I Guiding Principles for BIA/Baldy View and SANBAG" (attached) identifies issues that will be addressed through collaboration among public agencies and development and building industry stakeholders through the CMP revision and implementation process.

Proposed
Measure I
Guiding Principles
For
BIA/Baldy View and SANBAG

Preamble

It is the desire of the Building Industry Association of Southern California Baldy View Chapter to work collaboratively with SANBAG to insure that a success process be developed to implement the extension of Measure I.

The interchange, arterials, and railroad grade crossing projects needs to be expanded to accommodate anticipated future growth; current funds are inadequate to construct the Regional System needed to avoid the unacceptable levels of traffic congestion and related adverse impacts.

The TRANSPORTATION MITIGATION FEE Program will provide significant additional funds from new development to make improvements to the Regional System, complementing funds generated by Measure I and the Reauthorized Measure I, local transportation fee programs, and other potential funding sources. By establishing a fee on new development, local agencies can establish a mechanism by which developers will effectively contribute their "fair share" toward sustaining the regional transportation system. This is a thirty-year program and will be influenced by a variety of market factors that could cause a shortfall or surplus in the revenue projections. The TRANSPORTATION MITIGATION FEE Program shall be reviewed at fewer than five-year intervals to ensure the integrity of the program with the first review occurring in June of 2006. The program is not designed to be the only source of revenue to construct the identified facilities, and it will be necessary for matching funds from a variety of available sources to be provided.

It is the intent that TRANSPORTATION MITIGATION FEE requirements may be met by paying cash, building eligible facilities or through public financing, such as Community Facility Districts and Assessment Districts, or private financing vehicles consistent with local jurisdiction policies.

General TRANSPORTATION MITIGATION FEE Program parameters, definitions and procedures are described in the TRANSPORTATION MITIGATION FEE Program Ordinance adopted by participating San Bernardino County jurisdictions.

An Implementation Plan is to be developed to those jurisdictions that are participants in TRANSPORTATION MITIGATION FEE Program with guidelines and policies for implementation of the TRANSPORTATION

MITIGATION FEE Program. This Administrative Plan specifies implementation and responsibilities for the TRANSPORTATION MITIGATION FEE Program. The Building Industry Association Baldy View Chapter will be an integral part of the team in developing this plan.

Elements of the Implementation Plan shall consist of but limited to the following items:

Implementation Plan

1. Purpose
2. Authority
3. Participation and Imposition of Transportation Mitigate Fee Program
4. Allocation of Funds
5. Administration of Plans
6. Administration of Credits
7. Administration of Reimbursement
8. Payment of fees at Escrow
9. Administrative Responsibilities
10. Administrative Costs (if any)
11. Appeals
12. Arbitration
13. Transportation Mitigation Fee Program Amendments
14. CEQA
15. CMP exemption
16. Add two (2) Public Members to Independent Taxpayer Oversight Committee (ITOC) with a dedicated spot for the Building Industry (Association)

TRANSPORTATION MITIGATION FEE Program funds may only be used for capital expenditures associated with Interchange Improvements and Major Arterials improvements consistent with the TRANSPORTATION MITIGATION FEE Nexus Study. These purposes include expenditures for the planning, environmental review, engineering and design costs, right of way acquisition, and administrative costs.

The TRANSPORTATION MITIGATION FEE Program applies to those jurisdictions in San Bernardino County (County of San Bernardino and the incorporated Cities therein that have adopted and are implementing the TRANSPORTATION MITIGATION FEE Program Ordinance. The TRANSPORTATION MITIGATION FEE Program will be developed pursuant to and consistent with authority provided in the requirements of California Government Code Chapter 5 Section 66000-66008 Fees for Development Projects (also known as California Assembly Bill 1600 (AB 1600) or the Mitigation Fee Act), which governs the assessment of development impact fees in California. The Mitigation Fee Act requires that all local agencies in California, including cities, counties, and special districts follow two basic rules when instituting impact fees as follows:

A. Establish a nexus or reasonable relationship between the Development impact fee's use and the type of project for which the fee is Required;

B. The fee must not exceed the project's proportional "fair share" of the proposed improvement and cannot be used to correct current problems or to make improvements for existing development.

Important Issues:

Expiration Of Building Permits - If a building permit should expire, is revoked, or is voluntarily surrendered and is, therefore voided and no construction or improvement of land or construction has commenced, then the Applicant is entitled to a refund of the TRANSPORTATION MITIGATION FEE (Fee) collected which was paid as a condition of approval, less administrative costs. The administrative cost shall be used to offset the cost of collection, accounting, and refund. The fee payer shall submit an application for a refund to the local jurisdiction who will forward it to SANBAG for processing. The applicant must pay the appropriate TRANSPORTATION MITIGATION FEE in full if he reapplies for the permit.

If a development project is partially under construction at the time of the effective date of the TRANSPORTATION MITIGATION FEE Ordinance, the TRANSPORTATION MITIGATION FEE shall be paid only on that portion of the development for which a building permit is next issued.

Calculation of the TRANSPORTATION MITIGATION FEE - Each participating jurisdiction shall calculate and collect the TRANSPORTATION MITIGATION FEE for projects as outlined in the Fee Calculation Handbook. For residential, the fee is based on the number of units and for non-residential the fee is based on the square footage. This may be different from how the local development impact fee is determined.

Fund shall be allocated pursuant to the findings contained in the Nexus Study and any future Nexus Study amendments.

Administration of Credits: Each jurisdiction shall be responsible for the administration of credit agreements. SANBAG may administer credit agreements upon written request from that jurisdiction. The credit agreements shall be and in accordance with the following:

A. **Developer Credits** - If a developer constructs improvements identified on RSHA, the, the developer shall receive credit for all costs associated with the improvements based on approved unit cost assumptions for the RSHA. Typically, major infrastructure, such as rail grade separations, interchanges, transit projects etc., is constructed by the local jurisdiction rather than the developer, and involves multiple parties, as such; this section makes the distinction between credit agreements for major infrastructure and the standard arterial improvements.

The amount of the development fee credit shall not exceed the maximum amount determined by the most current unit cost assumptions for the RSHA, or actual costs, whichever is less. This shall be known as the maximum TRANSPORTATION MITIGATION FEE CREDIT.

The maximum TRANSPORTATION MITIGATION FEE credit shall be determined based on an approved Improvement Plan and after Conditions of Approval have been determined. The maximum TRANSPORTATION MITIGATION FEE credit shall identify, at a minimum, the facility, the length of the facility, the number of lanes, and applicable unit costs components as identified in the adopted Nexus Study. Any improvement made to the RSHA that is obligated through an existing fee district shall not be eligible for TRANSPORTATION MITIGATION FEE credit. Should it be determined that a jurisdiction granted credits exceeding the maximum TRANSPORTATION MITIGATION FEE credit, that jurisdiction shall provide SANBAG payment in the amount equal to the excess credit amount.

1. Arterial Credits - Prior to receiving any credit, a written credit agreement shall be executed between the jurisdiction or SANBAG and the developer.

2. Major Improvement Agreements - If a developer constructs major improvements such as an interchange, bridge, or railroad grade separation, prior to receiving any credit a three party written credit agreement shall be entered into with SANBAG, the jurisdiction and the developer.

Local Development Impact Fees and other funding programs - The local jurisdiction shall compare facilities in local fee programs against the RSHA and eliminate any overlap in its local fee program.

Where there is an existing benefit district or an existing fee program with bonded indebtedness established prior to June 1, 2009 then the local jurisdiction may credit the TRANSPORTATION MITIGATION FEE for that portion of the facility identified in both programs.

If a local jurisdiction proposes to credit the TRANSPORTATION MITIGATION FEE then the jurisdiction shall provide SANBAG reasonable information to account for the credit and shall receive SANBAG approval in advance of applying the credit.

If a credit is granted and applied to the TRANSPORTATION MITIGATION FEE for specific improvements, the local jurisdiction shall be responsible for construction of the improvements and those improvements shall not be eligible for TRANSPORTATION MITIGATION FEE Program prioritization or funding.

Use of Credit by Developer - Any TRANSPORTATION MITIGATION FEE credit shall be used first by the developer to offset any obligation of the developer to pay TRANSPORTATION MITIGATION FEE impact fees of the same development project.

- Credits may not be transferred or sold to other development projects.
 - Developers must exhaust all credits before they are eligible For reimbursements.
- Credits shall run with the sale of the land.

Administration of Reimbursements. Each jurisdiction shall be responsible for the administration of reimbursement agreements. SANBAG may administer reimbursement agreements upon written request from the jurisdiction.

Should the developer construct RSHA improvements in excess of the TRANSPORTATION MITIGATION FEE obligation the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less at the time of the agreement. A development that is exempt from paying the TRANSPORTATION MITIGATION FEE is not eligible for a reimbursement. Reimbursements shall be made through a three party agreement between the developer, SANBAG and the local jurisdiction, and contingent upon funds being available. In all cases reimbursements under such agreements must coincide with construction of the transportation improvements as scheduled in the five year Transportation Improvement Program (TIP) adopted annually by SANBAG.

The developer may enter into a reimbursement agreement with the jurisdiction and SANBAG to reimburse the developer/owner for the direct and verifiable costs of constructing improvements to the RSHA when all of the following conditions are met:

1. All available credits are exhausted;
2. The improvements received prior approval from the jurisdiction and SANBAG
3. Credits on the review of the TRANSPORTATION MITIGATION FEE project priority list;
4. The jurisdiction and SANBAG have reviewed and approved the scope of the project to be constructed.

In no event shall the developer be reimbursed for improvements to the RSHA in excess of the most current approved units cost assumptions for the TRANSPORTATION MITIGATION FEE at the time of the agreement.

Payment of Fees. Allow fees to be paid at escrow.